

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No: DTE 02-84
Attorney General Second Set of Information Requests

Request No.: AG-2-2

Referring to Schedule KMA-1. Pages 2 and 3, why are the congestion purchases exactly the same amount from November 2002 through February 2003?

Revised Response:

The amounts shown for congestion purchases for each month from November 2002 through February 2003 are the same because each is an estimate.

FG&E projected that it would incur two forms of congestion costs: first, in the form of Congestion Uplift Charges and, second, in the form of Reliability Must-Run Agreements. The forecast for Congestion Uplift Charges for the period of October 2002 through February 2003 was calculated by taking the average Congestion Uplift Charge for the period from October 2001 through April 2002. The forecast for the Reliability Must-Run Agreements was calculated by taking the average of all RMR Agreements charges for the period of January 2002 through August 2002. These averages were summed to calculate the Congestion Purchases estimate for the period of November 2002 through February 2003.

Please refer to FG&E's Revised Response to Request No.: DTE-1-14 for a clarification of RMR Agreements charges after March 1, 2003.

Person Responsible: Karen M. Asbury and David K. Foote

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Request No.: AG-2-3

Referring to Schedule KMA-1. Page 3, why are the congestion purchases assumed to be zero for the last ten months of 2003?

Revised Response:

Congestion purchases were assumed to be zero in the forecast for the filing (December 20, 2002) because NEPOOL Standard Market Design ("SMD") was expected to be implemented on March 1, 2003. Prior to SMD, the cost of transmission congestion was spread to all Regional Network Service ("RNS") customers under the NEPOOL Open Access Transmission Tariff. Effective March 1, 2003, the date on which SMD was implemented, the cost of transmission congestion will no longer be billed to RNS customers. From March 1, 2003 forward, the cost of transmission congestion will be paid by the Load Serving Entities which serve load in congested areas.

Please refer to FG&E's Revised Response to Request No.: DTE-1-14 for a clarification of RMR Agreements charges after March 1, 2003.

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